

NIE-31: SPAIN'S POTENTIALITIES IN WESTERN DEFENSE

THE PROBLEM

To estimate, in the light of the US decision to associate Spain with the Western defense effort, the various contributions Spain could make to US security and the defense of Western Europe and the Mediterranean, as well as to examine the military, political and economic problems involved in associating Spain with the Western defense effort.

BRIEFING NOTES *(Held 11 Jul 51)*

After a brief summary of the contributions which Spain might make to Western defense, the paper as now conceived proceeds to make the following points:

1. That Franco is ready and willing to grant the US access to and use of a few convenient bases, in exchange for a moderate amount of economic and military aid.
2. That such a base agreement with Spain will undoubtedly be viewed with disfavor by important US allies.
3. That no further useful contribution by Spain to Western defense can be expected before a considerable program of economic and military aid has been put into effect by the US and has had time to work. That is:

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- (a) The Spanish government cannot under present conditions make any additional share of the gross national product available for defense expenditures.
- (b) The Spanish economy, and especially the Spanish transportation system, is too run-down to support the use of Spain by the US as a "major base area" (comparable, e.g., to Britain in World War II).
- (c) The Spanish armed forces are neither equipped nor trained to contend with a major enemy.

4. That it would obviously not be necessary to rehabilitate the entire Spanish social and economic system before getting a useful contribution to Western defense, and that doubtless the amount of such Spanish contribution could be roughly proportional to the amount of the US investment. More exact estimates on the dimensions of the Spanish need for aid must await fuller surveys of the Spanish economic and military situation.

5. That the principal obstacle to a considerable US program for economic aid to Spain is in the nature of the Franco regime:

- (a) We believe, despite rumors to the contrary, that the Franco regime is stable, and is almost certain to remain so indefinitely if given a relatively small amount of aid, but
- (b) It is administratively too corrupt and incompetent to carry through an extensive program of economic recovery and development without very great waste, and we believe that Franco would not permit close US supervision of such a program; also
- (c) The chief allies of the US would view with extreme disfavor any extensive expenditure of money, materials, etc., upon Spain by the US.

What could be done with the military potential

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6. That hostility to Franco among the chief US allies is diminishing, but slowly, and that admission of Spain to NATO is out of the question for at least a year.

NOTE: Two brief factual Appendixes, one on the military and one on the economic condition of Spain, are under preparation to serve as background to the Estimates.

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